



INSIDE REGION 2

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U.S. Small Business Administration
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William Manger, Jr., Regional Administrator
Region 2
New York, New Jersey, Puerto Rico
and U.S. Virgin Islands



News from Region II

SBA Disaster Team Aids Katrina Victims

As a result of President George Bush's declaration of a federal disaster in the Gulf coast region following Hurricane Katrina, SBA disaster personnel from throughout the country have been mobilized to assist FEMA with discovery recovery efforts.

SBA officials are on the ground in every federal disaster recovery center throughout Alabama, Mississippi and Louisiana. SBA offers loans up to \$200,000 to repair damaged primary residences. Homeowners and renters are eligible for loans up to \$40,000 to replace personal property such as furniture and clothing. Loans to businesses of all sizes and non-profit organizations are available up to \$1.5 million to repair damage to real estate, machinery and equipment, and inventory. Economic Injury Disaster Loans (EIDLs) are also available to small businesses unable to pay bills or meet operating expenses.

Residents and business owners in the affected areas can begin the disaster application process by registering online with FEMA at www.fema.gov, or by calling 1-800-621-FEMA (3362), or 1-800-462-7585 (TTY) for the hearing and speech impaired. The toll-free numbers will operate 24 hours daily until further notice.

Individuals with questions on SBA's disaster loan programs should call the Disaster Call Center located in Buffalo, NY, regardless of where they are calling from. The nationwide phone number for the SBA Disaster Assistance Customer Service Center is 1-800-659-2955 or 1-800-877-8339 for the hearing-impaired. Inquiries can also be emailed to the Customer Service Assistance Center at disastercustomerservice@sba.gov. For more information, visit SBA's web site at www.sba.gov/disaster

SBA Administrator Barreto Visits NJ

SBA Administrator Hector V. Barreto and Daniel H. Jara of the Statewide Hispanic Chamber of Commerce of New Jersey renewed a Strategic Alliance Memorandum at a ceremony held at Hudson County Community College in Jersey City. The renewal of the agreement will allow the SBA to continue to work with the Statewide Hispanic Chamber of Commerce in promoting SBA programs and services to the Chamber members throughout New Jersey.



Done Deal: SBA Administrator Hector Barreto (left) shakes hands with Daniel H. Jara of the Statewide Hispanic Chamber of Commerce of New Jersey after renewing a Strategic Alliance Memorandum.

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SBA Loan Keeps Pilot Flying in Puerto Rico

Recently, SBA Puerto Rico District Director Carmen Culpeper and officials from Banco Popular de Puerto Rico paid a visit to Vieques Air Link, a small, private airline based in Puerto Rico.



Above: L to R. Sonia Acosta, Pablo Dávila, and Carmen Cartagena, Banco Popular de Puerto Rico (BPPR); Angélique Adjutant, SBA; Ángel Román, Samuel Rivera, and Emilio Piñero, BPPR; SBA District Director Carmen Culpeper, and Osvaldo González, founder and president of Vieques Air Link.

The airline is helmed by Osvaldo Gonzalez, the founder and president.

González, a pilot since the age of 21, established his business in 1965. In the last few years, through the SBA's 7(a) Loan Guaranty Program, he obtained financing from Banco Popular to purchase several new airplanes and build a hangar, improving his operations substantially.

PR Firm Named Region II Minority Business of the Year

SBA Regional Administrator William Manger has announced that Irving Aranda and Eric Rodríguez, partners of ARGA, S.E., located in San Juan, Puerto Rico, have been selected as Region II's Minority Small Business Persons of the Year. Aranda and Rodríguez will compete for the national award in Washington, DC on September 14. ARGA, S.E., a

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general contractor in San Juan established in 1986, became certified in SBA's 8(a) Business Development Program in 2002 and since then, has completed numerous projects for the U.S. Coast Guard, been awarded contracts with the Air National Guard and is currently negotiating contracts with other federal agencies and military branches.



Above: Puerto Rico District Director Carmen A. Culpeper, Eric Rodríguez and Irving Aranda, partners of ARGA, S.E., Region II's Minority Small Business Person of the Year award winners.

504 Loan Helps Oswego Family Live the American Dream

Bob and Janet Dexter knew that they wanted to own and operate a campground on Lake Ontario. They had sold their auto repair business and worked with the local small business development center, Operation Oswego County (a SBA certified development corporation), Pathfinder Bank and Galloway Realty to purchase 40 acres of land on Lake Ontario and build a 500-site campground just west of Oswego. But when the landowner wanted a non-refundable down payment because the financing package was coming together slower than expected, the Dexter's were unable to secure the \$1.6 million deal—and they watched their dream slip away.

Less than one week after the original campground deal fell through, Bob spotted a flier announcing the auction of an existing campground on Lake Ontario, less than two miles from the land the Dexter's had intended to purchase. The Dexter's put together a revised business plan with the small business development center, a new financial package with Pathfinder Bank and an SBA 504 loan through Operation Oswego County. The Dexter's won the bid and at that moment, their lives changed forever.



Beautiful view from Sunset RV Park located on Lake Ontario, NY.

Since that auction two years ago, Janet and Bob have made many improvements to their campground, Sunset RV Park, located less than two miles west of downtown Oswego on Lake Ontario. They've added a new swimming pool, playground, horseshoe pit and recreation area. They've made upgrades to the electrical system and the municipal water supply delivery.

Janet, Bob and their two teenagers live on site, with a beautiful view of Lake Ontario and are living the lifestyle they dreamed about.

Region II's Manger Addresses LIBDC

The Long Island Business Development Council, Long Island's 40-year old business networking group, recently hosted SBA Regional Administrator William Manger to discuss SBA's 504 Loan Program.

Manger spoke about SBA's efforts to increase small business funding availability on Long Island with the SBA 504 Loan Program. The 504 program provides long-term, low, fixed-rate, low down-payment second mortgage loans to help small businesses buy and build buildings. 504 loan maximums recently increased to \$4 million for manufacturers, \$2 million for women-, minority- and veteran-owned small businesses as well as exporters and businesses located in economic development zones.

Patchogue Village Mayor Paul Pontieri, Jr. also spoke about revitalization efforts in the Village with mixed use and affordable housing development. Manger emphasized that the 504 program can finance mixed-use commercial and residential projects for downtown revitalization.



Above: SBA Regional Administrator William Manger; Roslyn Goldmacher, president & CEO, Long Island Development Corporation; and Bruce Germano, vice president, Long Island Power Authority and chair of the Long Island Business Development Council.

SBA & PR Chambers of Commerce Sign Agreements



Above L. to R. Region II Administrator William M. Manger, PR Chamber of Commerce President Marcos Vidal, PR/USVI District Director Carmen A. Culpeper, PR Trade Executive Director Ricardo Rivera, and PR Chamber of Commerce Executive Vice President Edgardo Bigas.

The Puerto Rico & U.S. Virgin Islands District Office recently signed Strategic Alliance Memorandums with the Puerto Rico Chamber of Commerce, the Ponce and Southern Puerto Rico Chamber of Commerce, and the United Retailers Association to develop and foster mutual understandings and working relationships to achieve optimal effectiveness for the benefit of small businesses.

Upcoming Events

Buffalo: The SBA Buffalo District Office is moving to 130 S. Elmwood Avenue, Suite 540, Buffalo, New York, 14202 on September 23rd and will open for business on Monday, September 26th...**SBA Administrator Hector Barreto** will be the keynote speaker at Canisius College's **37th Annual Business Awards Dinner** on October 11th...The Region II **Buffalo District Advisory Council** meeting is scheduled for Wednesday, October 11th and will be hosted by Manufacturers & Traders Trust Company Bank and Alfred Luhr. The meeting will be held from 10:00 a.m. – 11:00 a.m...The **10th Annual Straight Talk 10th Conference** will be held on Saturday, January 21, 2006 at the Buffalo Convention Center. Over 500 attendees are expected at the 10th anniversary event. For more information, contact the SBA Buffalo District Office at (716) 551-4301. Pre-registration is \$15.00; \$20.00 at the door. The cost for students is \$10.00.

New York: SBA Regional Administrator William Manger will speak at a **"Doing Business in China" Conference** on September 19th at Pace University. The conference is being organized by the Pace SBDC. **SBA Administrator Hector Barreto** will provide opening remarks via Videoconferencing...The New York District Office and Regional Administrator William Manger will participate in the **New York Times Small Business Summit** on September 26th at the Pierre New York Hotel in NYC.

Comings & Goings

Syracuse employee **Joseph Anderson** retired from the SBA in June following 33 years of government service. Anderson helped many upstate business owners understand and navigate the complexities of the government marketplace. Joe also managed the Syracuse District's 8(a) Program, helping socially- and economically- disadvantaged business owners gain equal access to the resources necessary to develop their business and expand into government contracting. Joe lives in Cazenovia with his wife Patty and is taking his own advice and starting a new business, **Anderson Marketing to the government, LLC**. All of us in Region II wish Joe the best in his new career!

Alan Steinberg, Region II advocate, has left the SBA to serve as the regional administrator for the Environmental Protection Agency. Congratulations, Alan!

News from Washington

Minority and Women Business Ownership Increasing

The U.S. Census Bureau recently released preliminary estimates from its *2002 Survey of Business Owners*, indicating that minority groups and women are increasing business ownership at a much faster rate than the national average. Overwhelming increases in minority business ownership parallel the demand for SBA loan products in these communities.

The SBA's flagship 7(a) Loan Program has registered sharp increases in loans to women- and minority-owned businesses during the first three quarters of fiscal year 2005. Loans to minorities have increased by 27 percent, compared to the same period in fiscal year 2004, and loans to women have shown an increase of almost 50 percent, followed closely by loans to African-American business owners, which are up 46 percent. SBA loans to start-up companies have increased by 76 percent over last year.

Small Businesses Obtained Record \$69 Billion in Government Contracts in FY 2004

U.S. small businesses reaped a record \$69.23 billion in federal prime contracts last year, surpassing the previous high by almost 6 percent, Administrator Hector V. Barreto of the U.S. Small Business Administration recently announced. The contracts represented 23.09 percent of federal prime contracting dollars and 43.7 percent of federal prime contracting actions in fiscal year 2004.

Federal prime contracting in fiscal year 2004 amounted to \$299.9 billion on 9.97 million contracting actions. Small businesses garnered \$69.23 billion on 4.36 million actions.

Small disadvantaged businesses surpassed their 5 percent goal, registering 6.18 percent of total federal prime contracting dollars with \$18.54 billion in prime contracts.

Participants in the SBA's 8(a) Business Development Program received \$8.44 billion in contracts, or 2.8 percent of the total. Contracts to small businesses in economically distressed communities through SBA's HUBZone program increased by 40 percent to \$4.78 billion. The dollars to women-owned small businesses increased by \$814.6 million to a record \$9.1 billion, about 3 percent of the government-wide total. Contracts to service-disabled veteran-owned small businesses more than doubled, reaching \$1.15 billion, up from \$550 million in fiscal year 2003.

Small Business Drives Economy

Small businesses drive the U.S. economy by providing jobs for over half of the private workforce. Moreover, the latest figures show that small business with fewer than 20 employees increased employment by 853,074 during 2001-2002.

These and other statistics outlining small business' contribution to the economy are contained in the *Small Business Profiles for the States and Territories, 2005 Edition* issued by the Office of Advocacy of the U.S. Small Business Administration.

Office of Advocacy-funded data and research shows that small businesses represent 99.7 percent of all firms, they create more than half of the private non-farm gross domestic product, and they create 60 to 80 percent of the net new jobs.

In 2004, there were an estimated 23,974,500 businesses in the U.S. Of the 5,683,700 firms with employees, 5,666,600 were small firms (fewer than 500 employees). The latest data also show that in 2002 women owned 6,492,795 firms; Blacks owned 1,197,988 firms; Hispanics owned 1,574,159 firms; Asians owned 1,105,329 firms; and American Indians and Alaskan Natives owned 206,125 firms.

Inside Region II

**William Manger, Jr., Regional Administrator
Region II**

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Copies of Inside Region II are distributed free of charge to SBA resource partners, service providers, small business owners and other advocates of small business. To request additional copies, or to be added to our mailing list, please contact Diana Parra at diana.parra@sba.gov.